

Let me repeat that: "Public disclosure of campaign contributions and spending should be expedited so voters can judge for themselves what is appropriate."

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

### RAISING TAXES

Mr. KYL. Mr. President, we continue to have a discussion about whether there should be a tax increase on Americans and, if so, which ones. We are not sure whether the Senate is going to vote on one of those propositions before the elections, but there appears still to be a chance we would do that.

I found it of interest that a couple surveys—one of economists and one of Americans generally—throw more cold water on the idea that we should be raising taxes on any Americans.

I wish to report, first of all, a CNBC poll which just came out today. The headline is "Most Americans Want All Bush Tax Cuts Extended." Well, that is another way of saying: We should not raise taxes on any Americans. I will just quote from two lines:

In the new poll released this week, 55 percent said that "increasing taxes on any Americans will slow the economy and kill jobs". . . . Only 40 percent said the Bush-era tax cuts should be canceled for higher earners. . . .

One other interesting statistic is that the poll showed that "55 percent of Americans said [President] Obama's overall economic plans have made things worse so far."

This poll is consistent with every other we have seen. Most Americans do not believe we should be raising taxes on anyone—on the wealthy, on businesses, on others, on anyone. I think most of them get the fact that if you start raising taxes, particularly in the middle of a recession, you are going to kill economic recovery and certainly slow the creation of more jobs.

Well, that was also the opinion of a group of economists who were surveyed by CNN. They surveyed 31 different economists and had a variety of options. They asked: What should the Senate and the House do? In this survey, 18 of the economists said we should not raise taxes on anyone—in other words, extend the tax rates that have been in effect for the last 10 years for everyone, continue to extend them. There were only three of the economists, incidentally, who said: No, we should differentiate, extend for some but not extend for others. In other words, it is OK to go ahead and raise taxes on the so-called wealthy.

I noted also today that the National Taxpayers Union released a letter with 300 economists saying the same thing, that we should not raise taxes on anyone. Finally, I noted in comments I made Monday that Secretary Geithner had said what we should be doing to preserve jobs in America is to promote

savings and investment. That is, of course, precisely what we should be doing. Unfortunately, that is exactly the opposite of what would happen if we raised the taxes on the so-called upper two brackets because that is how small businesses, by and large, pay their taxes.

Fifty percent of the approximately \$1 trillion of business income will be reported on returns that have a marginal rate in the top two brackets. That is another way of saying, if you increase the tax in those top two brackets, you are going to dramatically impact small businesses that create about 25 percent of the total workforce here in the United States.

In testimony before the Finance Committee, on which I sit, the former Director of CBO, Doug Holtz-Eakin, testified that an increase in the top effective marginal income tax rate would reduce the probability that a small business entrepreneur would add to his or her payrolls by roughly 18 percent. I suggest it may even be more than that.

What I would like to do is quote from comments from a few small business folks as to the effect of the tax increase on them. If the tax increase were to be voted on by this body and the House of Representatives and adopted into law or if the current tax rate is not extended for everyone, here is what a few small business folks say would happen to them. Some of these examples come from the Chamber of Commerce, some from the National Federation of Independent Business.

For example, Mark Clinton of Decisive Management in Little Rock, AR: Last year, he says, he paid about half his business's income back in taxes. He has a small business that meets this threshold I mentioned before, and he said any tax increase would effectively kill his business. I thought it was interesting. He gets frustrated, he said, when he hears the top-tier tax cuts referred to as tax cuts for "the rich." He said:

These are employers who work hard to balance their budgets and make ends meet. They need money to sustain their businesses. Do you want someone who is broke as your employer? No. You want someone who is able to pay their bills and pay your salary.

Here is another example of someone who says he would be hurt if his taxes are raised: Jim Murphy, from the firm EST Analytical, in Cincinnati, OH. If taxes go up above the \$250,000 threshold, the bottom line of his business will suffer and he will be forced to make serious business decisions to make up for the lost income. He just recently lifted a pay freeze that has been in place for almost 18 months. His company suspended the 401(k) contributions at the same time, and that likely will have to continue into the future. So instead of potentially hiring more people, he is definitely not going to make any new hires. He said that the threat and uncertainty of health care costs going up next year is also a great concern.

So instead of purchasing needed capital equipment and generating economic activity

for other businesses, I will have to make do with what we have.

I will just mention a couple more.

Ron Hatch of Hatch Furniture in Yankton, SD, said his business, which is a furniture store, has struggled. He has seen his business fall by 25 percent. He had to close one of his two stores. His business is heavily dependent on capital, and he says any tax increase would inhibit his ability to compete and force him to lay off more workers. If the current tax rates are allowed to expire, he says he might well have to go out of business.

Steve Ferree, who owns a Mr. Rooter Plumbing in Gladstone, OR, says he has been lucky his business has been able to survive so far but that increasing his tax rates, the rate at which he pays—just what we are talking about here—would directly impact his business. He would not be able to consider hiring a new employee or buying new equipment should the tax hike take effect.

There are several from the printing industry. I will just quote from one.

Mike Nobis of JK Creative Printers in Quincy, IL, makes the point that the tax increases hurt his clients which then, in turn, hits him. He talks about the fact that his clients are having to cut back their budgets and that this has had an impact on him. He said that increasing taxes will be especially hard-hitting for his clients. As a result, he is going to continue to lose customers, and with that loss of customers combined with the tax increase hitting his own budget, he will be hit from both sides. The looming tax increase and uncertainty with forthcoming health care mandates have left him in a position where he is hesitant to take on risks and grow his business.

Another example from the printing industry: Frank Goodnight of Diversified Graphics in Salisbury, NC. Another from the real estate industry—a lot of examples there—Curt Green from Curt Green & Co. in Texarkana, AR.

Let me close with two examples that show other indirect effects.

Steve Walker from Walker Information in Indianapolis, IN, talks about one of the indirect consequences of his firm having to pay more in taxes, his small business. It is a family business. He said: We have always taken care to give back to our community in Indianapolis and central Indiana. Here is a direct quote:

If Congress increases taxes, it will directly affect the extent of our charitable work, in addition to impacting our company's bottom line. I look at pretax dollars as a pie chart. Right now, Uncle Sam gets 35 percent. If Uncle Sam gets 39.6 percent, then 4.6 percent will come from other uses. For us, those uses are as follows: Reinvest in the business, give to charity, and meet capital obligations.

Meeting capital obligations are fixed, so the impact of a tax increase will reduce the amount available for charity first and investment capital second. I have already made plans assuming that some sort of tax increase is coming.

And he talks about how that will drop his contributions to United Way, for example.

He concludes by saying:

I think Congress needs to have a much greater appreciation for the direct and indirect consequences a massive tax increase would have on businesses and the communities that we and our employees live and work in.

Finally, noting a physician who has a business in Chicago, Dr. Herb Sohn of Strauss Surgical Group makes another point not just about marginal income tax rates but capital gains and dividends as well. Remember that these taxes would also be increased under the Democrats' proposal. He says that increases in dividends and capital gains taxes will prevent his patient care business from expanding to provide quality care to more patients. He talks about having practiced medicine since the early 1970s in the Chicago area. His focus is on his patients, but he says:

Unfortunately, the impending tax increases will impair our ability to focus on patients and their care. The increases in capital gains taxes and dividend tax rates will impact our business, derailing our opportunities to expand our operations.

Finally, he notes that he is structured as a passthrough entity. And that is how a lot of these small businesses pay their taxes. That is why they are impacted by an increase in the top two marginal income tax rates. He says:

If Congress increases the marginal income tax rates, that means we will have less money to expand and reinvest in our business, which, again, is focused on patient care.

He concludes by saying:

I'm not a tax expert, but I do have a straightforward diagnosis on this issue—Congress needs to keep all the tax rates at their current levels and not slap us with a bigger tax bill.

My point is this: The American people, by a wide margin, believe we should not increase taxes on anyone. Economists, by a wide margin, agree. We should not increase taxes on anyone. And the several examples of owners of small businesses who would be the first to be impacted by an increase in the upper two marginal income tax brackets have made it very clear—every one of them—that it will have a direct impact on their ability to hire people, to expand their businesses, or to continue in business, and an indirect impact on the customers they serve, who then, in turn, would have less business for these small businesses.

All in all, it is a bad idea to even think about increasing taxes on any Americans, let alone small businesses. We should make it clear right now that these folks do not have anything to worry about; they are not going to be hit with a big tax hike.

THE PRESIDING OFFICER (Mr. MERKLEY). The Senator from Utah.

Mr. BENNETT. Mr. President, I had originally anticipated speaking for 15 minutes. I understand that the speaker intruded into the Republicans' time, for which I do not complain, but I ask unanimous consent that I be allowed 15 minutes even though the time would normally expire at 3 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Thank you, Mr. President. I appreciate that and the courtesy of my colleagues.

#### THE DISCLOSE ACT

Mr. BENNETT. Mr. President, I have two issues I wish to discuss today. The first one is one I have spoken about before, which is the DISCLOSE Act, which we are going to be voting on probably tomorrow. The last time I talked about the DISCLOSE Act, I raised the issue of the film that was made in the 2004 campaign by Michael Moore. This was an effort, very clearly, on the part of Mr. Moore to influence the election. No one could have seen that film without realizing it was a serious attempt to make sure Americans did not vote for President George W. Bush.

Well, Citizens United, a group that has political views different from Mr. Moore's, believed that the film violated the law, and they filed a complaint with the Federal Election Commission because they said it was clearly a political document, not just another movie, and it was filmed for the purpose of trying to affect the election.

At the time, Michael Moore had this to say about Citizens United and their complaint:

That's the difference between our side and their side. Even when we disagree, we are respectful of freedom of speech, but when they disagree, they try to shut you down. Well, it's unAmerican and it's wrong and people are not going to stand for it. People in this country don't like to be told they can't watch something or see something.

I can argue with Mr. Moore about whether our side really does hate freedom of speech, but the interesting point is that he insisted we have more opportunities to watch rather than less opportunities to watch and that any other position was, to use his term, un-American.

What did Citizens United do? They decided that rather than fight Michael Moore, they would join him, and they made a movie and they ran the movie in the 2008 election. Immediately, they were attacked for making this movie because, unlike Michael Moore, Citizens United as a group happens to have a corporate charter. They are a corporation by definition, and the complaint was, you are entering the campaign and violating the law which says corporations cannot contribute to political parties.

Citizens United took the case all the way to the Supreme Court and said: But we are not contributing to a political party; we are not violating the law against corporate contributions. We are exercising our first amendment right to make a movie and tell people what we happen to think about Hillary Clinton. Their views about Hillary Clinton were no more generous than Mr. Moore's views about President Bush.

I haven't seen either movie. I don't particularly care to at this point. The issue is, does Citizens United have the same right to freedom of speech that Michael Moore does or is the technicality of the fact that Citizens United happens to be a corporation and Michael Moore is rich enough to make his movie by himself, without a corporate form and without shareholders, mean that he can speak and they cannot? The Supreme Court said: No, we won't support that idea, that he can speak and they cannot; and as long as they are not making a direct contribution to a party—that would be a violation of the law—they have the right to make a movie and they have the right to distribute it.

Well, that is what the DISCLOSE Act attempts to do something about. We have heard complaints on this floor: Oh, it is evil and improper for corporations to speak, unless, of course, they happen to be the New York Times corporation—they can speak all they want—or the Washington Post corporation. They can speak all they want. But if a group of citizens get together, and they have some shareholders, and say, we want to speak in the political arena, they are told, no, no, no, you can't, except by the Supreme Court, which says, yes, yes, yes, you can. That is why I support the Supreme Court decision.

All right. We get the DISCLOSE Act to say that the Supreme Court made a terrible mistake but we will do everything we can to try to rectify that mistake. We are told over and over again that we are not limiting their freedom of speech; we are just going for disclosure. Then there are all kinds of aspects of the bill that go beyond disclosure, and we are treating everybody alike, except for those groups we have carved out of the terms of the DISCLOSE Act, so they won't have to comply with the DISCLOSE Act, and those happen to be the kinds of groups whose support is necessary for the people who voted for this bill in the House.

All right. Let's assume for the sake of argument that there are things in the Supreme Court decision that do need some legislative attention. Why, then, don't we have some hearings? Why, then, don't we have the bill open for amendment? I am the ranking member of the Senate Rules Committee—the committee that would receive the jurisdiction on this bill—and we have not seen it in the Rules Committee. It has not been referred to committee. There have been no hearings. There has been no opportunity for amendment. There has been no opportunity to sandpaper some of the rough places and make the bill more acceptable to people who are currently opposed to it. It is simply: It passed the House in this fashion; let's bring it to the floor of the Senate the way it passed in the House and prevent the Senate from having any impact on the way it is worded or structured.

So I am going to vote against the DISCLOSE Act for two reasons: No. 1,